

2011 Property Tax Report

Harrison County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Harrison County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Harrison County

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	5,386	56.0%	285	3.0%
No Change	204	2.1%	38	0.4%
Lower Tax Bill	4,024	41.9%	9,291	96.6%
Average Change in Tax Bill	-12.6%		-34.7%	
Detailed Change in Tax Bill				
20% or More	158	1.6%	150	1.6%
10% to 19%	119	1.2%	60	0.6%
1% to 9%	5,109	53.1%	75	0.8%
0%	204	2.1%	38	0.4%
-1% to -9%	779	8.1%	186	1.9%
-10% to -19%	99	1.0%	419	4.4%
-20% to -29%	610	6.3%	1,827	19.0%
-30% to -39%	2,415	25.1%	3,348	34.8%
-40% to -49%	52	0.5%	2,072	21.6%
-50% to -59%	18	0.2%	705	7.3%
-60% to -69%	19	0.2%	225	2.3%
-70% to -79%	12	0.1%	167	1.7%
-80% to -89%	9	0.1%	121	1.3%
-90% to -99%	3	0.0%	67	0.7%
-100%	8	0.1%	154	1.6%
Total	9,614	100.0%	9,614	100.0%

Note: Percentages may not total due to rounding.

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LOWER TAX RATES REDUCED

HOMEOWNER TAX BILLS

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The average homeowner saw a 12.6% tax bill decrease from 2010 to 2011.

Homestead taxes in 2011 were 34.7% lower than they were in 2007, before the property tax reforms.

96.6% of homeowners saw lower tax bills in 2011 than in 2007.

53.1% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 30% and 49% decrease in their tax bills from 2007 to 2011.

Homestead Property Taxes

Homestead property taxes decreased 12.6% on average in Harrison County in 2011, compared to an average 4.4% increase for the state as a whole. Harrison County homestead taxes were 34.7% lower in 2011 than they were in 2007, before the big tax reform. The large homestead tax decrease in 2011 was mainly due to a reduction in tax rates. The tax cut was partly offset by the phaseout of the state homestead credit in 2011. The state homestead credit was 3.4% in Harrison County in 2010.

Tax Rates

Property tax rates decreased in most Harrison County tax districts. The average tax rate declined by 13.2% because of a large reduction in the levy. Levies in Harrison County decreased by 13.9%. The biggest levy decreases were in the North Harrison Schools debt service and bus replacement funds and the South Harrison Schools debt service, pension debt, and bus replacement funds. Harrison County's total net assessed value increased 0.2% in 2011. (The certified net AV used to compute tax rates declined by 0.9%.) Homestead and agricultural net assessments increased by 0.4% and 0.2%, respectively. Other residential assessments showed a decrease of 4.4%, while business net assessments increased by 1.1%.

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BIG REDUCTIONS IN NONHOMESTEAD TAX

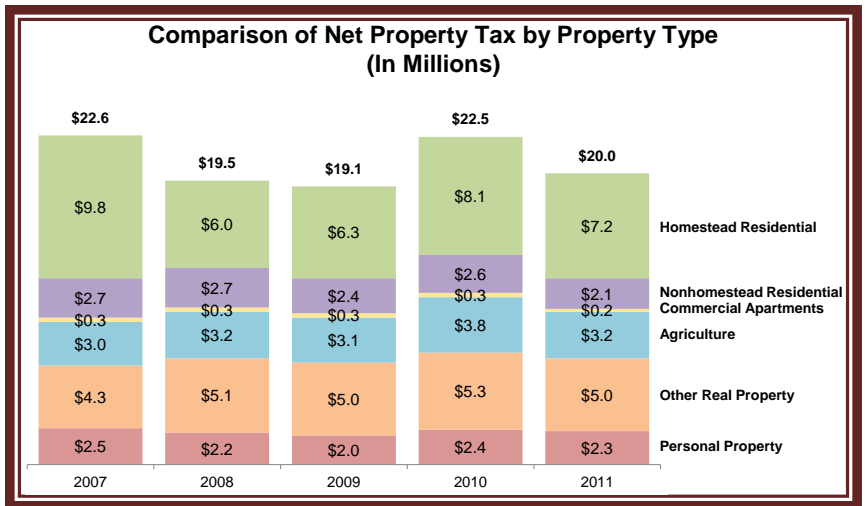
BILLS DUE TO LOWER TAX RATES

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers decreased 11.8% in Harrison County in 2011, whereas tax bills statewide increased by 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 19.6%. Tax bills for commercial apartments fell 32.5%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - decreased by 6.8%.

These large tax reductions reflect the big tax rate cuts in Harrison County in 2011. The tax rate reductions allowed agricultural tax bills to decrease 16.9%, despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS DECREASED
IN 2011, DUE TO LOWER TAX
RATES*

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Total tax cap credit losses in Harrison County were \$32,328, or 0.2% of the levy. This was much less than the state average loss rate of 9.2% and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Harrison County's tax rates were much lower than the state median.

More than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead and elderly categories. The largest percentage losses were in the town of Milltown, the Whiskey Run Fire Protection District, and the Crawford County School Corporation, part of which is in Harrison County. The largest dollar losses were in the Crawford County School Corporation, Milltown, and the county unit.

Harrison County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$20,241	\$37,259	\$579	\$41,241	\$99,320	0.5%
2011 Tax Cap Credits	4,750	19,383	479	7,716	32,328	0.2%
Change	-\$15,491	-\$17,876	-\$100	-\$33,525	-\$66,992	-0.3%

Tax cap credits decreased in Harrison County in 2011 by \$66,992, or 67%. The reductions in the

credits restored 0.3% of the total tax levy. Most of the decrease in tax cap credits was in the 1%, 2 % and elderly tax cap categories and was the result of lower tax rates. The elimination of the state homestead credit limited the reduction in the 1% tax cap category.

The Effect of Recession

The 2009 recession appears to have had an effect on Harrison County assessments for pay-2011. Business and other residential property values and construction activity appear to have fallen in Harrison County in 2009, but increases in homestead values and agricultural assessments offset this decline. Still, the very small increase in net assessed value meant that tax rates did not fall as much as they could have, given the large reduction in the levy.

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*2009 RECESSION HELD ASSESSMENTS
NEARLY UNCHANGED IN PAY-2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$1,442,064,400	\$1,462,210,700	1.4%	\$614,609,523	\$617,250,367	0.4%
Other Residential	165,451,100	158,308,700	-4.3%	157,712,232	150,813,590	-4.4%
Ag Business/Land	265,605,100	265,999,100	0.1%	263,216,906	263,723,316	0.2%
Business Real/Personal	680,772,790	677,155,133	-0.5%	599,954,980	606,264,131	1.1%
Total	\$2,553,893,390	\$2,563,673,633	0.4%	\$1,635,493,641	\$1,638,051,404	0.2%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Harrison County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
<i>County Total</i>	31,652,395	31,664,754	18,993,186	22,058,721	18,988,326	0.0%	-40.0%	16.1%	-13.9%
<i>State Unit</i>	42,981	45,132	0	0	0	5.0%	-100.0%		
Harrison County	6,998,765	7,162,811	5,278,047	5,295,095	5,520,081	2.3%	-26.3%	0.3%	4.2%
Blue River Township	31,338	32,091	31,082	31,308	32,266	2.4%	-3.1%	0.7%	3.1%
Boone Township	14,841	15,879	17,002	17,270	17,399	7.0%	7.1%	1.6%	0.7%
Franklin Township	44,659	51,960	46,692	46,496	46,201	16.3%	-10.1%	-0.4%	-0.6%
Harrison Township	190,653	186,743	181,925	177,476	181,560	-2.1%	-2.6%	-2.4%	2.3%
Heth Township	8,605	8,672	9,404	9,505	9,654	0.8%	8.4%	1.1%	1.6%
Jackson Township	70,105	74,937	66,930	66,630	67,810	6.9%	-10.7%	-0.4%	1.8%
Morgan Township	10,025	10,745	11,402	11,662	11,777	7.2%	6.1%	2.3%	1.0%
Posey Township	21,546	22,438	23,378	23,669	23,730	4.1%	4.2%	1.2%	0.3%
Spencer Township	36,743	38,279	37,615	37,944	38,987	4.2%	-1.7%	0.9%	2.7%
Taylor Township	23,849	24,631	25,354	25,580	26,375	3.3%	2.9%	0.9%	3.1%
Washington Township	8,125	9,116	9,426	9,411	9,904	12.2%	3.4%	-0.2%	5.2%
Webster Township	9,306	20,730	22,690	23,233	23,738	122.8%	9.5%	2.4%	2.2%
Milltown Civil Town	47,553	43,967	48,842	47,618	48,684	-7.5%	11.1%	-2.5%	2.2%
Corydon Civil Town	526,537	544,352	571,565	580,252	601,835	3.4%	5.0%	1.5%	3.7%
Crandall Civil Town	2,709	2,672	2,994	3,060	3,114	-1.4%	12.1%	2.2%	1.8%
Elizabeth Civil Town	3,315	3,306	3,305	3,305	3,293	-0.3%	0.0%	0.0%	-0.4%
Laconia Civil Town	1,164	856	958	1,034	1,071	-26.5%	11.9%	7.9%	3.6%
Lanesville Civil Town	26,830	28,078	29,232	29,534	30,764	4.7%	4.1%	1.0%	4.2%
Mauckport Civil Town	2,966	3,247	3,324	3,345	3,442	9.5%	2.4%	0.6%	2.9%
New Amsterdam Civil Town	0	0	0	0	0				
New Middletown Civil Town	0	0	0	0	0				
Palmyra Civil Town	27,305	29,841	30,846	31,384	31,265	9.3%	3.4%	1.7%	-0.4%
Crawford County Community School Corp	115,699	112,136	65,215	63,452	68,675	-3.1%	-41.8%	-2.7%	8.2%
Lanesville School Corp	1,980,088	2,394,416	914,270	897,771	915,522	20.9%	-61.8%	-1.8%	2.0%
North Harrison Community School Corp	6,519,464	6,502,929	3,410,148	5,933,314	3,158,812	-0.3%	-47.6%	74.0%	-46.8%
South Harrison School Corp	13,384,633	12,765,084	6,608,224	7,123,452	6,495,744	-4.6%	-48.2%	7.8%	-8.8%
Harrison County Public Library	1,060,202	1,070,003	1,143,524	1,155,150	1,193,700	0.9%	6.9%	1.0%	3.3%
Whiskey Run Fire Protection Dist	11,431	10,411	10,249	8,916	5,737	-8.9%	-1.6%	-13.0%	-35.7%
Palmyra Fire	87,024	98,136	96,397	97,569	99,988	12.8%	-1.8%	1.2%	2.5%
Heth-Washington Twp. Fire Protection Dist	45,418	45,872	47,293	47,756	49,876	1.0%	3.1%	1.0%	4.4%
Boone Township Fire Dist	37,016	37,933	40,367	40,967	42,525	2.5%	6.4%	1.5%	3.8%
Harrison County Solid Waste	227,442	231,301	168,821	178,079	184,367	1.7%	-27.0%	5.5%	3.5%
Webster Twp Fire Protection	34,058	36,050	36,665	37,484	40,430	5.8%	1.7%	2.2%	7.9%

Harrison County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
31001	Blue River Township	1.3009	--	--	--	--	--	--	1.3009
31002	Milltown Town-Blue River Township	3.0568	--	--	--	--	--	--	3.0568
31003	Boone Township	1.1977	--	--	--	--	--	--	1.1977
31004	Laconia Town	1.3074	--	--	--	--	--	--	1.3074
31005	Franklin Township	1.1013	--	--	--	--	--	--	1.1013
31006	Lanesville Town	1.2662	--	--	--	--	--	--	1.2662
31007	Harrison Township	1.1153	--	--	--	--	--	--	1.1153
31008	Corydon Town	1.6538	--	--	--	--	--	--	1.6538
31009	Heth Township	1.1766	--	--	--	--	--	--	1.1766
31010	Mauckport Town	1.3940	--	--	--	--	--	--	1.3940
31011	Jackson Township	1.2829	--	--	--	--	--	--	1.2829
31012	Crandall Town	1.4078	--	--	--	--	--	--	1.4078
31013	Morgan Township	1.3401	--	--	--	--	--	--	1.3401
31014	Palmyra Town	1.4854	--	--	--	--	--	--	1.4854
31015	Posey Township	1.0887	--	--	--	--	--	--	1.0887
31016	Elizabeth Town	1.1970	--	--	--	--	--	--	1.1970
31017	Spencer Township	1.3017	--	--	--	--	--	--	1.3017
31018	Milltown Town-Spencer Township	3.0524	--	--	--	--	--	--	3.0524
31019	Taylor Township	1.1761	--	--	--	--	--	--	1.1761
31020	Washington Township	1.2114	--	--	--	--	--	--	1.2114
31021	New Amsterdam Town	1.2114	--	--	--	--	--	--	1.2114
31022	Webster Township	1.1990	--	--	--	--	--	--	1.1990
31023	New Middletown Town	1.1990	--	--	--	--	--	--	1.1990
31024	Milltown Town-Spencer Township	2.3788	--	--	--	--	--	--	2.3788

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Harrison County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	4,750	19,383	479	7,716	32,328	18,988,326	0.2%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	4,750	19,383	479	7,716	32,328	18,988,326	0.2%
Harrison County	557	2,240	55	2,175	5,028	5,520,081	0.1%
Blue River Township	39	172	4	29	245	32,266	0.8%
Boone Township	0	0	0	12	12	17,399	0.1%
Franklin Township	0	0	0	33	33	46,201	0.1%
Harrison Township	0	0	0	82	82	181,560	0.0%
Heth Township	0	0	0	0	0	9,654	0.0%
Jackson Township	0	0	0	16	16	67,810	0.0%
Morgan Township	0	0	0	3	3	11,777	0.0%
Posey Township	0	0	0	3	3	23,730	0.0%
Spencer Township	3	0	0	14	18	38,987	0.0%
Taylor Township	0	0	0	3	3	26,375	0.0%
Washington Township	0	0	0	1	1	9,904	0.0%
Webster Township	0	0	0	16	16	23,738	0.1%
Milltown Civil Town	1,573	6,323	156	169	8,221	48,684	16.9%
Corydon Civil Town	0	0	0	198	198	601,835	0.0%
Crandall Civil Town	0	0	0	0	0	3,114	0.0%
Elizabeth Civil Town	0	0	0	2	2	3,293	0.0%
Laconia Civil Town	0	0	0	0	0	1,071	0.0%
Lanesville Civil Town	0	0	0	25	25	30,764	0.1%
Mauckport Civil Town	0	0	0	0	0	3,442	0.0%
New Amsterdam Civil Town	0	0	0	0	0	0	
New Middletown Civil Town	0	0	0	0	0	0	
Palmyra Civil Town	0	0	0	2	2	31,265	0.0%
Crawford County Community School Corp	2,169	9,343	231	250	11,994	68,675	17.5%
Lanesville School Corp	0	0	0	661	661	915,522	0.1%
North Harrison Community School Corp	84	0	0	1,097	1,182	3,158,812	0.0%
South Harrison School Corp	0	0	0	2,273	2,273	6,495,744	0.0%
Harrison County Public Library	120	484	12	470	1,087	1,193,700	0.1%
Whiskey Run Fire Protection Dist	185	745	18	20	969	5,737	16.9%
Palmyra Fire	0	0	0	28	28	99,988	0.0%
Heth-Washington Twp Fire Protection Dist	0	0	0	3	3	49,876	0.0%
Boone Township Fire Dist	0	0	0	29	29	42,525	0.1%
Harrison County Solid Waste	19	75	2	73	168	184,367	0.1%
Webster Twp Fire Protection	0	0	0	27	27	40,430	0.1%
Morgan Township Fire Dist	0	0	0	0	0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.